



STATE OF IOWA

TERRY E. BRANSTAD, GOVERNOR
KIM REYNOLDS, LT. GOVERNOR

DEPARTMENT OF HUMAN SERVICES
CHARLES M. PALMER, DIRECTOR

April 8, 2011

To all interested parties:

The Iowa Department of Human Services (the Department) is providing this notice of intent to release a request for proposal (RFP) on or around June 1, 2011, for the purpose of procuring system services that support the Iowa Medicaid Program. The procurement is necessary due to the expiration of the existing system services contracts in the Iowa Medicaid Enterprise (IME).

It is the Department's intent to procure a Medicaid Management Information System (MMIS) and related operations and a Pharmacy Point-of-Sale (POS) system and related operations to meet all federal and state requirements as well as CMS certification. The successful winners of the contract awards are expected to perform all contractor responsibilities of the respective system services modules, as defined by this RFP and its supporting documentation, throughout the duration of the contracts.

The following description highlights the Department's anticipated schedule for the procurement and the contracts and discusses requirements in broad terms. Although we encourage comments and questions, please be advised that the Department will respond to questions submitted to the issuing officer during the official question and answer period after release of the IME System Services RFP, MED-12-001.

Thank you for your interest in this procurement.

Sincerely,

Mary Tavegia
Issuing Officer

IME System Services Procurement

In alignment with the Centers for Medicare and Medicaid Services (CMS) Medicaid Information Technology Architecture (MITA), the State of Iowa operates a modular Medicaid business model using multiple contractors and a certified MMIS. By its nature, this unique business model is a complex, modular Medicaid program administration structure that necessitates interdependence of the various module business functions.

In anticipation of an orderly transition of the current system services contracts expiring, the Iowa Department of Human Services (the Department) must competitively procure these services. The information contained in this document is subject to revision or removal.

Procurement Background

The Department is the single state agency responsible for administering the Medicaid program in Iowa. The Iowa Medicaid Program provides medical services to eligible Medicaid members under Title XIX of the Social Security Act through enrolled providers and health plans.

The Department will maintain the Iowa Medicaid Enterprise (IME), which is comprised of state management of the Iowa Medicaid program and the third-party contractors that operate and maintain the Iowa MMIS structure and the professional services that administer the Iowa Medicaid Program. The Department has determined that the continuation of the current business model will provide the best operational support to the Iowa Medicaid program.

First operational on June 30, 2005, the Iowa Medicaid Enterprise (IME) has contracted for best-practice approaches from a variety of vendors for the professional services and system services that support the Iowa Medicaid Program. Procurement of the system services is required because current contracts with all extensions expire on June 30, 2013. The system services modules include:

- Medicaid Management Information System (MMIS)
- Core MMIS Operations
- A Pharmacy Point-of-Sale (POS) System
- POS Operations

Procurement Purpose

The Department's purpose for this procurement is to promote fair, impartial and open competition among all prospective bidders for business processes for the Iowa Medicaid Program. As an outcome of the required procurement, the Department intends to meet the following objectives:

- To secure contractor(s) to support the unique and highly complex nature of Iowa's modular Medicaid program administration structure.
- To replace the Iowa MMIS and POS systems and implement state-of-the-art MMIS and POS systems to meet all federal and state requirements as stated in the 42 Code of Federal Regulations (CFR) and the needs of Iowa as listed in the RFP. These systems must meet all requirements for CMS certification.

- To contract for day to day operations activities for both the Core MMIS functions and the POS functions.
- To obtain competitive pricing for the IME system services contracts through open competition.

The Department intends to offer a contract for each module (MMIS and POS) that includes a design, development and implementation (DDI) phase and a five year base with up to three one-year extensions for the operations phase. Vendors may offer bid proposals on either or both modules, but each individual module proposal must be self-contained and self-sufficient.

Procurement Objective

The Department's objective for this procurement is to maintain the current business model of a cohesive Iowa Medicaid Enterprise, with "best-of-breed" contractors co-located with state staff at a common facility. This strategy allows the state to retain greater responsibility for the operation and direction of healthcare delivery to Medicaid members in Iowa.

As part of their operation, all contractors operating within the Iowa Medicaid Enterprise will use the following, common managerial tools where necessary to perform their functions:

- A workflow process management system the Core MMIS contractor operates and maintains.
- The Data Warehouse/Decision Support (DW/DS) system the Department's Division of Data Management (DDM) operates and maintains.
- The Cisco contact management (call center) system used by all IME call centers.

Of particular importance is the Department's intent to award the System Services modules in this RFP to obtain the most effective services available today. The Department intends to contract for the managerial skills and knowledge specific to each System Services module from vendors with specializations and staff expertise.

Procurement Timetable

The Department offers the following key dates for informational and planning purposes. The Department reserves the right to change the dates.

IME System Services Procurement Timetable

Notice of intent to issue System Services RFP	April 08, 2011
Issue System Services RFP	June 01, 2011
Bidders' Conference	June 15, 2011
Bidders' questions due	June 01, 2011 – June 29, 2011
Letters of intent to bid requested	June 29, 2011
Written responses to bidders' questions	July 20, 2011
Closing date for receipt of bid proposals and amendments	August 31, 2011
Systems Services RFP Evaluation (technical, cost and financial viability)	September 06, 2011 – October 13, 2011

Oral presentations	October 04, 2011 – October 07, 2011
Best and final offers due (if requested)	October 14, 2011
Recommendations to Medicaid Director	October 21, 2011
CMS evaluations and intent to award approvals	October 24, 2011 – November 23, 2011
Notice of intent to award to successful bidders	November 28, 2011
Completion of contract negotiations and execution of the contract	November 28, 2011 – December 2, 2011
CMS contract approval	January 03, 2012
Design, Development and Implementation (DDI)	January 07, 2012 – July 31, 2014 (31 months)
Begin Operations	August 01, 2014

Procurement Communication

The Department will respond only to questions directed to the issuing officer during the official question and answer period after release of the IME System Services RFP, MED-12-001. Contact with anyone else regarding this procurement in any way other than described in the RFP for the question and answer process will result in bidder disqualification.

The RFP will include a contract prototype that will be the basis of the contracts resulting from this procurement. The Department emphasizes that the question and answer period will be the appropriate time to request clarifications or suggest alternate contract language.